

NARBHA
STATEMENT OF FINANCIAL POSITION
AS OF: June 30, 2006

ASSETS

CURRENT ASSETS

101 Cash (Disclose on Schedule A)	\$12,156,042
102 Current Investments	
103 Accounts Receivable (net) (Disclose on Schedule A)	\$1,077,878
104 Notes Receivable (current portion)	\$1,850,000
105 Prepaid Expenses	\$210,963
106 Other Current Assets (Disclose on Schedule A)	\$4,248
107 Total Current Assets	<u>\$15,299,131</u>

NON-CURRENT ASSETS

108 Land	1,033,533
109 Building	3,156,088
110 Leasehold Improvements	-
111 Furniture and Equipment	1,654,401
112 Vehicles	162,195
113 Total Property and Equipment	<u>\$6,006,216</u>
114 Less: Accumulated Depreciation	<u>1,709,874</u>
115 Net Property and Equipment	<u>\$4,296,342</u>
116 Notes Receivable (net of current portion)	\$0
117 Performance Bond (Disclose on Schedule A)	
118 Long Term Investments	
119 Deposits	
120 Other Noncurrent Assets (Disclose on Schedule A)	1,136,066
121 Total Noncurrent Assets	<u>\$5,432,408</u>
122 TOTAL ASSETS	<u><u>\$20,731,539</u></u>

LIABILITIES AND NET ASSETS/EQUITY

CURRENT LIABILITIES

201 Incurred But Not Reported Claims (Disclose on Sch. A)	\$348,600
202 Reported But Unpaid Claims	-
203 Payable to ADHS (Disclose on Schedule A)	\$0
204 Other Amounts Payable to Providers	4,314,525
205 Trade Accounts Payable	160,466
206 Accrued Salaries and Benefits	447,984
207 Long-term Debt (current portion)	140,907
208 Deferred Revenue (Disclose on Schedule A)	\$193,490
209 Risk Pool Payable	
210 Other Current Liabilities (Disclose on Schedule A)	<u>\$225,667</u>
211 Total Current Liabilities	<u>\$5,831,639</u>

NON-CURRENT LIABILITIES

212 Long-term debt (net of current portion)	2,099,635
213 Loss Contingencies (Disclosed on Schedule A)	\$0
214 Other Noncurrent Liabilities (Disclose on Schedule A)	<u>\$0</u>
215 Total Noncurrent Liabilities	<u>\$2,099,635</u>
216 TOTAL LIABILITIES	<u>\$7,931,274</u>
217 NET ASSETS/EQUITY	
Unrestricted Net Assets	12,800,265
Restricted Net Assets (Disclose on Schedule A)	<u>\$0</u>

218 TOTAL LIABILITIES AND NET ASSETS/EQUITY	<u><u>\$20,731,539</u></u>
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NARBHA
STATEMENT OF FINANCIAL POSITION
AS OF:
Schedule A Disclosures

June 30, 2006

ASSETS:

Cash

	Unrestricted	12,156,042
	Restricted	
Total Cash		<u><u>\$12,156,042</u></u>

Accounts Receivable

ADHS

	Program ID	Category ID	
Current Year			
	TXIX Child		\$150,651
	NTXIX/XXI Child		\$0
	NTXIX/XXI Child	SIG-CHILD & ADOL	\$60,915
	NTXIX/XXI SMI		\$0
	Mental Health		\$0
	Substance Abuse		\$0
	Prevention Intervention		\$0
	TXIX Child	Qualifying Incentive Pmts	\$78,109
	TXIX CMDP	Qualifying Incentive Pmts	\$47,647
	TXIX DD Child	Qualifying Incentive Pmts	\$9,528
	TXIX Child	Qualifying Incentive Pmts	\$3,616
	TXIX SMI	Qualifying Incentive Pmts	\$172,521
	TXIX DD Adult	Qualifying Incentive Pmts	\$5,798
	HIFA II SMI	Qualifying Incentive Pmts	\$1,274
	TXIX Adult	Qualifying Incentive Pmts	\$126
	TXIX GMHSA	Qualifying Incentive Pmts	\$71,547
	HIFA II GMH	Qualifying Incentive Pmts	\$529

Prior Year	Select Program		-
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Non-ADHS &/or Unrelated Business

Current Year			
	Billings to SAA for ins, etc		184,341
	Miscellaneous receivables		286,637
	DES RSA Grant		4,639
Prior Year			-

Allowance for Doubtful Accounts		-
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Total Accounts Receivable	<u><u>\$1,077,878</u></u>
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Other Current Assets (Detail of Line 106)

ST. Comp Deposit	\$4,248
Total Other Current Assets	<u><u>\$4,248</u></u>

Other Noncurrent Assets (Detail of Line 120)

Note receivable- Mohave Mental Health Clinic (MMHC)	1,136,066
Total Other Noncurrent Assets	<u><u>1,136,066</u></u>

PERFORMANCE BOND:

A surety bond for \$ 8,238,106 was purchased from Fidelity and Deposit Company of Maryland

Adjustments:

None

Payables to ADHS - Other* Category

Disclose items recorded as "Other" in the category for Payable to ADHS Section

Explain ≥10% fluctuation in account from prior period

decrease in Prepaid expenses due to monthly amounts expensed
decrease in Accts Receivable and increase in Notes Receivable (current & LT) due to
reclassifying the receivables from MMHC as a Note Receivable
increase in Trade Accounts Payable due to timing at month end
increase in Accrued Salaries due to accrual at month end & adjusted vacation accrual at year end
decrease in IBNR due to re-evaluating Navajo DD and adjusting the prior year

LIABILITIES:

IBNR Claims Estimate

Current Year	
FY 06	\$348,600
Prior Year(s)	
FY 05	-

Total IBNR	<u><u>\$348,600</u></u>
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Payable to ADHS (Detail of Line 203)

	Program ID	Category ID	
Current Year			
Select Program	Withhold		\$0
Prior Year			
Select Program	Select Category		\$0

Total Payable to ADHS	<u><u>\$0</u></u>
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Deferred Revenue from: (Detail of Line 208)

	Program ID	Category ID	
ADHS			
Current Year			
ADHS DOC	COOL		\$0
Prior Year			
ADHS DOC	COOL		128,821
HB2003 Child	Coaching & Training		\$32,562
HB2003 Child	Services		\$32,107

Non-ADHS &/or Unrelated Business

Current Year			
Training Fees			-
Prior Year			

Total Deferred Revenue	<u><u>\$193,490</u></u>
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Other Current Liabilities (Detail of Line 210)

Reserve for Dental & FSA claims	\$92,195
Payable to BHIP	133,472
Total Other Current Liabilities	<u><u>\$225,667</u></u>

Loss Contingencies (Detail of Line 213)

Identify Loss Contingencies	
Total Loss Contingencies	<u><u>\$0</u></u>

Other Noncurrent Liabilities (Detail of Line 214)

Identify Other Noncurrent Liabilities	
Total Other Noncurrent Liabilities	<u><u>\$0</u></u>

Restricted Net Assets (Detail of Line 217)

Identify Restricted Net Assets	
Total Restricted Net Assets	<u><u>\$0</u></u>

NARBHA

STATEMENT OF CHANGES IN NET ASSETS / EQUITY
AS OF : June 30, 2006

		Net Assets /	
		Retained	
Initial Capital	Additional Capital	Earnings	Total
Beginning Balance:	July 1, 2005	11,548,023	11,548,023
* Net Surplus / Net Earning for the period ended:	June 30, 2006	1,252,242	1,252,242
Dividends Declared			-
** Prior Period Adjustments			-
Ending Balance:	June 30, 2006		-
\$	-	\$	-
		\$ 12,800,265	\$ 12,800,265

* Net of dividends declared

** Disclosure of Prior Period Adjustments

		TXIX CHILD	TXIX CMDP	TXIX DD CHILD	NTXIX/XXI CHILD	TXXI CHILD	HB2003 CHILD	TXIX SMI	TXIX DD ADULT	NTXIX/XXI SMI	HIFA II SMI	TXXI ADULT	HB2003 SMI	TXIX GMHSA	HIFA II GMH	MENTAL HEALTH	SUBSTANCE ABUSE	PREVENTION INTERVENTION	PASRR	ADHS DOC	OTHER	SUB TOTAL	PROGRAM ADMIN & MGMT/GEN	TOTAL
REVENUES																								
401	Revenue Under ADHS Contract																							
a	ADHS Revenue	15,311,252	9,783,355	1,975,417	1,922,343	900,305	2,797	34,012,533	1,008,828	9,552,689	261,824	25,368	0	14,108,628	108,579	303,924	4,677,418	1,009,688	4,200	143,156	0	95,112,303		95,112,303
b	ADHS Revenue - Qualifying Incentive Payments	5,858	3,574	715		271		12,939	435		96	9	0	5,366	40							29,303	361,392	390,695
402	Specialty & Other Grants*									207											67,504	67,711		67,711
403	Client Fees (Co-pays)																					0		0
404	Third Party Recoveries																							
a	Medicare																					0		0
b	Other Insurance																					0		0
405	Interest Income																					0	459,300	459,300
406	Other Funding Sources - Non ADHS*																				0	0	884,357	884,357
407	Unrelated Business Activities*															0	0	20,000				20,000	700,000	720,000
408	TOTAL REVENUE	15,317,110	9,786,929	1,976,132	1,922,343	900,576	2,797	34,025,472	1,009,263	9,552,896	261,920	25,377	0	14,113,994	108,619	303,924	4,677,418	1,029,688	4,200	143,156	67,504	95,229,317	2,405,049	97,634,366
EXPENSES																								
Service Expenses:																								
501	Treatment Services																							
a	Counseling																							
1	Counseling, Individual	980,407	468,395	40,241	180,835	96,388		790,982	42,024	199,638	3,584	3,698		1,240,124	16,477	24,857	178,711					4,266,362		4,266,362
2	Counseling, Family	772,994	370,732	44,674	68,270	70,394		42,244	4,130	8,955	0	200		58,494	1,922	927	12,222					1,456,158		1,456,158
3	Counseling, Group	189,902	100,509	9,137	85,082	19,843		369,843	3,035	72,934	0	606		1,575,471	10,437	7,446	958,596					3,402,841		3,402,841
b	Consultation, Assessment & Specialized Testing	741,055	241,325	45,771	96,369	54,241		449,360	27,874	107,484	702	709		1,495,874	21,617	36,441	382,866					3,701,808		3,701,808
c	Other Professional	0	0	0	338	0		0	0	0	0	0		0	0	0	0					338		338
d	Total Treatment Services	2,684,358	1,180,961	139,823	430,894	240,866	0	1,652,429	77,064	389,011	4,286	5,212	0	4,369,963	50,454	69,671	1,532,516	0	0	0	0	12,827,507	0	12,827,507
502	Rehabilitation Services																							
a	Living Skills Training	553,560	178,561	117,580	68,525	38,509		1,381,159	44,348	171,006	0	1,402		198,730	460	2,720	39,014					2,795,573		2,795,573
b	Cognitive Rehabilitation	0	0	0	0	0		0	0	0	0	0		0	0	0	0					0		0
c	Health Promotion	8,922	2,721	157	7,744	1,091		117,009	7,468	27,057	0	0		110,583	1,186	162	178,610					462,711		462,711
d	Supported Employment Services	7,019	0	0	0	0		317,077	15,130	34,873	0	0		23,952	823	0	0					398,873		398,873
e	Total Rehabilitation Services	569,501	181,282	117,737	76,269	39,600	0	1,815,244	66,946	232,936	0	1,402	0	333,265	2,469	2,882	217,624	0	0	0	0	3,657,157	0	3,657,157
503	Medical Services																							
a	Medication Services	76	0	0	0	0		165,233	4,172	22,292	0	0		347,338	0	0	45,204					584,316		584,316
b	Medical Management	675,166	133,709	95,316	35,176	60,938		1,101,143	77,146	238,142	4,237	1,714		1,070,334	17,064	14,722	43,627					3,568,434		3,568,434
c	Laboratory, Radiology & Medical Imagin	17,308	3,093	2,006	413	1,456		35,725	2,720	9,311	112	129		39,780	317	615	1,828					114,811		114,811
d	Electro-Convulsive Therapy	0	0	0	0	0		8,823	0	1,103	0	0		776	0	0	0					10,702		10,702
e	Total Medical Services	692,550	136,802	97,322	35,589	62,394	0	1,310,924	84,038	270,849	4,348	1,843	0	1,458,228	17,380	15,337	90,659	0	0	0	0	4,278,263	0	4,278,263
504	Support Services																							
a	Case Management	3,160,321	2,204,375	549,806	352,604	226,212		5,847,783	278,242	1,197,211	9,234	11,452		3,380,587	40,213	72,948	423,738					17,754,726		17,754,726
b	Personal Assistance	37,668	34,159	1,521	1,330	7,353		237,265	63,290	13,056	0	0		224,666	4,436	22	139,270					764,036		764,036
c	Family Support	163,583	124,245	36,094	10,583	8,897		5,065	3,863	740	0	0		14,672	0	579	3,268					371,589		371,589
d	Peer Support	464	21	0	0	0		51,528	895	6,191	15	0		59,963	13	152	42,238					161,479		161,479
e	Therapeutic Foster Care Services	363,277	1,447,927	0	55,036	11,804		28,731	0	6,708	0	0		0	0	0	0					1,913,483		1,913,483
f	Respite Care	337,396	174,970	3,206	9,741	22,664		0	0	0	0	0		0	0	0	0					547,977		547,977
g	Housing Support	0	0	0	0	0		0	0	28,096	0	0		0	0	1,365	7,736					37,197		37,197
h	Interpreter Services	5,285	1,621	0	2,772	589		821	0	19	0	0		3,338	60	218	1,679					16,401		16,401
i	Flex Fund Services	0	0	0	14,596	0		14,636	0	0	0	0		0	0	0	77,332					106,564		106,564
j	Transportation	419,870	149,374	49,823	21,782	24,911		997,197	17,859	144,635	21	267		502,495	878	4,842	39,072					2,373,026		2,373,026
k	Block Purchase NTXX Consumer Drop In Cente	0	0	0	0	0		0	0	0	0	0		0	0	0	0					0		0
l	Total Support Services	4,487,864	4,136,692	640,450	468,444	302,430	0	7,168,390	364,149	1,411,293	9,270	11,719	0	4,185,720	45,600	80,127	734,333	0	0	0	0	24,046,478	0	24,046,478
505	Crisis Intervention Services																							
a	Crisis Intervention - Mobile	50,857	69,724	13,997	21,619	3,822		109,089	6,288	20,305	0	1,259		132,513	694	21,452	27,439					479,058		479,058
b	Crisis Services	0	0	0	0	0		58,378	291	12,649	0	0		347	0	0	0					71,665		71,665
c	Crisis Phones	57,504	7,677	0	18,486	5,833		67,923	0	16,346	0	0		46,286	0	16,675	1,481					238,211		238,211
d	Total Crisis Intervention Services	108,361	77,401	13,997	40,105	9,655	0	235,389	6,579	49,300	0	1,259	0	179,146	694	38,127	28,920	0	0	0	0	788,934	0	788,934
506	Inpatient Services																							
a	Hospital																							
1	Psychiatric (Provider Types 02 & 71	454,806	146,823	140,873	0	26,402		1,266,322	92,131															

*DISCLOSE ON SCHEDULE A

	TXIX CHILD	TXIX CMDP	TXIX DD CHILD	NTXIX/XXI CHILD	TXXI CHILD	HB2003 CHILD	TXIX SMI	TXIX DD ADULT	NTXIX/XXI SMI	HIFA II SMI	TXXI ADULT	HB2003 SMI	TXIX GMHSA	HIFA II GMH	MENTAL HEALTH	SUBSTANCE ABUSE	PREVENTION INTERVENTION	PASRR	ADHS DOC	OTHER	SUB TOTAL	PROGRAM ADMIN & MGMT/GEN	TOTAL
Administrative Expenses:																							
601 Salaries	549,573	344,726	69,874	64,390	26,569	0	1,196,060	39,056	342,156	8,294	1,659	0	494,284	3,581	14,604	154,304	67,445	0	17,844	0	3,394,419	0	3,394,419
602 Employee Benefits	145,266	91,347	18,620	16,783	7,015	0	314,642	10,343	88,664	2,204	435	0	129,921	944	3,858	40,644	18,608	0	4,738	0	894,032	0	894,032
603 Professional & Outside Services	11,488	7,640	1,444	13,680	536	0	25,245	712	6,933	174	20	0	11,019	74	446	3,548	5,756	0	44	0	88,759	0	88,759
604 Travel	17,566	11,246	2,237	3,058	858	0	37,782	1,089	11,312	289	47	0	17,074	120	470	5,291	6,687	0	705	0	115,831	0	115,831
605 Occupancy	29,657	19,215	3,907	3,742	1,450	0	65,673	1,739	19,095	500	53	0	27,258	209	823	9,990	1,920	0	206	0	185,437	0	185,437
606 Depreciation	49,173	31,401	6,128	5,184	2,395	0	108,709	3,698	31,444	808	87	0	45,206	341	1,394	14,225	3,231	0	310	0	303,734	0	303,734
607 All Other Operating*	127,836	81,055	16,214	17,782	6,218	0	281,402	8,517	78,002	2,065	321	0	117,171	889	3,948	36,230	9,957	0	1,117	0	788,724	361,392	1,150,116
608 Subtotal ADHS Administrative Expenses	930,559	586,630	118,424	124,619	45,041	0	2,029,513	65,154	577,606	14,334	2,622	0	841,933	6,158	25,543	264,232	113,604	0	24,964	0	5,770,936	361,392	6,132,328
650 Non ADHS Administrative Expenses*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	19,652	19,652	179,535	199,187	
651 Unrelated Admin. Expense*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	725,208	725,208	
652 Subtotal Administrative Expense	930,559	586,630	118,424	124,619	45,041	0	2,029,513	65,154	577,606	14,334	2,622	0	841,933	6,158	25,543	264,232	113,604	0	24,964	19,652	5,790,588	1,266,135	7,056,723
701 Unrelated Business Expenses*																					20,000	0	20,000
790 Income Tax Provisions																							
790a ADHS Income Tax Provision																						0	0
790b Non ADHS Income Tax Provision																						0	0
799 Subtotal Income Tax Provision	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
800 TOTAL EXPENSES	15,065,335	9,645,239	1,940,412	1,955,162	1,053,568	4,696	28,897,377	1,740,223	9,337,291	51,878	29,985	0	18,931,210	185,271	314,169	4,613,630	1,094,836	4,200	175,264	76,248	95,115,989	1,266,135	96,382,124
801 INC(DEC) IN NET ASSETS/EQUITY	251,775	141,690	35,720	(32,819)	(152,992)	(1,899)	5,128,095	(730,960)	215,605	210,042	(4,608)	0	(4,817,216)	(76,652)	(10,245)	63,788	(65,148)	0	(32,108)	(8,744)	113,328	1,138,914	1,252,242

*Disclose on Schedule A

June 30, 2006

[illegible]

	TXIX CHILD	TXIX CMDP	TXIX DD CHILD	NTXIX/XXI CHILD	TXXI CHILD	HB2003 CHILD	TXIX SMI	TXIX DD ADULT	NTXIX/XXI SMI	HIFA II SMI	TXXI ADULT	HB2003 SMI	TXIX GMHSA	HIFA II GMH	MENTAL HEALTH	SUBSTANCE ABUSE	PREVENTION INTERVENTION	PASRR	ADHS DOC	OTHER	SUB TOTAL	PROGRAM ADMIN/MGMT/ GEN	TOTAL
<div><div>ADJUSTMENTS</div><div>(Disclose and describe any adjustments to previously submitted financial statements including those that affect the current financial statements)</div></div>																							
<div><div>Disclosures:</div><div>Per instructions from ADHS, the qualifying incentive payments passed on to providers are reported on line 607, under the Program Admin & Mgt/Gen column. The same amount of revenue on line 401 b was reported also in the Program Admin & Mgt/Gen column in order to follow the "matching principle" under GAAP. The amounts not being passed on to providers are shown as follows: Revenue on line 401 b in the appropriate columns Expenses allocated on lines 601-607 in the appropriate columns</div></div>																							

Analysis:

(Compare prior quarter activity to current quarter activity for each column [program] and each row major category of service.)

The most significant change was a reclassification of services expenses from TXIX SMI and TXIX GMHSA to TXIX DD Adult.
This was the result of getting clarification from ADHS/BHS in May that TXIX DD was for all adults, not just SMI.

NARBHA**STATEMENT OF CASH FLOWS****YEAR TO DATE FOR PERIOD ENDED:**

June 30, 2006

CASH FLOWS FROM OPERATING ACTIVITIES:

Changes in Net Assets	1,252,242
Adjustments to Reconcile Excess of Revenue Over/(Under) Expenses to Net Cash Provided (Used) by Operating Activities:	
Depreciation and Amortization	(437,219)
Changes in Operating Assets and Liabilities	
(Increases)/Decreases in Assets:	
Current Investments	
Receivables	(1,565,878)
Inventory & Prepaid Expenses	147,435
Interest Receivable	
Deposits	
Other	(843)
Increases/(Decreases) in Liabilities:	
IBNR	(188,400)
RBUC	
Accounts Payable to ADHS	(128,821)
Accounts Payable to Providers	718,621
Interest Payable	-
Trade Accounts Payable	(302,584)
Accrued Salaries & Benefits	204,769
Unearned Revenue	27,009
Other Current Liabilities	145,245

NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<hr/> (128,424)
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CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from Sale of Property & Equipment	1,502,023
Purchases of Property & Equipment	(206,707)
Proceeds from Sales of Investments	185,510
Purchase of Investments	-

NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<hr/> 1,480,826
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CASH FLOWS FROM FINANCING ACTIVITIES:

Acquisition of Debt (Describe on Schedule A)	39,118
Payment of Lease Obligations	(14,147)
Payment of Other Debts (Describe on Schedule A)	(130,121)

NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<hr/> (105,150)
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NET INCREASE/(DECREASE) IN CASH	1,247,252
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BEGINNING CASH	<hr/> \$10,908,790
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ENDING CASH BALANCE *	<hr/> <hr/> 12,156,042
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***NOTE: ENDING CASH BALANCE MUST AGREE WITH TOTAL CASH BALANCE ON BALANCE SHEET**

NARBHA**STATEMENT OF CASH FLOWS****YEAR TO DATE FOR PERIOD ENDED:**

June 30, 2006

Schedule A Disclosure**Describe:**

1. Sources and amounts of cash received for other grants.

DES/RSA Grant	\$	77,494
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2. Underlying transactions for acquisition of debt.

(Debtor, amount, purpose of loan, term, interest rate of debt acquired during the quarter.)

Obtained two copiers under capital leases	\$	39,118
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3. Underlying transactions for retirement of debt.

(Debtor, amount paid off.)

4. Cash Flows From Financing Activities - Payment of Other Debt

Xerox - payments of leases	\$	14,147
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Compass Bank - payment of mortgage	\$	130,121
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5. Supplemental data or non-cash investing and financing activities, gifts, etc.

6. Detail of Depreciation:

Depreciation expense	396,297
Gain on the Sale of Property	<u>(833,515)</u>
Net	<u><u>(437,218)</u></u>

Since the Gain is an "adjustment to Reconcile Excess of Revenue Over/(Under) Expenses to Net Cash Provided (Used) by Operating Activities" it is netted with Depreciation since a line cannot be added to the Statement of Cash Flows.